



House of Commons
CANADA

Standing Committee on Canadian Heritage

CHPC • NUMBER 036 • 2nd SESSION • 39th PARLIAMENT

EVIDENCE

Thursday, June 12, 2008

—
Chair

Mr. Gary Schellenberger

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•(1655)

[English]

The Chair (Mr. Gary Schellenberger (Perth—Wellington, CPC)): Order, please.

We are in the public domain now, so I'll ask Ms. Mourani to read her motion, please.

[Translation]

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Chairman, my motion reads as follows:

That, pursuant to Standing Order 108(2), the Committee reports the following to the House at the first opportunity:

The Standing Committee on Canadian Heritage recommends that the government commit to allocating to the Canadian Television Fund long-term funding that is indexed to private sector increases so that the share allocated to CBC/SRC productions is always at least 37% of total funding regardless of the government's follow-up to recent CRTC recommendations on the Canadian Television Fund.

First of all, let me explain to you the rationale for my motion. It comes on the heels of the CRTC's decision to split the CFT's funding into separate private- and public-sector streams. When the announcement was made, I admit that we were not fundamentally opposed to the idea at first, although we did have some reservations. Specifically, we were concerned that if the Fund was split into two streams, with the public-sector stream funded to the tune of about \$120 million, as is currently the case, the number of public CFT-funded productions would decrease, while the number of private-sector productions would increase, in view of the funding allocated to this sector. Problems might occur. Under the current funding formula, funding from the State and from cable broadcasters ensured that the CBC received about a 37% share of the total funding, which allowed it to produce some rather lively programming. While the CBC/SRC receives a substantial share of the public sector funding envelope, other broadcasters like Télé-Québec also want their share of the envelope. Therefore, my concern is that we will end up with a system where there would be fewer public productions because of a funding shortfall, since the amount in the Fund will have remained at \$120 million. This leads me to believe that the Fund should benefit from long-term funding that is indexed. Of course, we would need to determine how much funding should be allocated so that public productions can continue to be as lively as they are today.

[English]

The Chair: Mr. Coderre.

[Translation]

Hon. Denis Coderre (Bourassa, Lib.): This is an interesting motion, Mr. Chairman. However, it does present a few small problems.

While the Banff World Television Festival was taking place, the Canadian Television Fund released its annual report. When the CTF was set up, it provided for a historic 37% share of total funding to be allocated to the public sector stream, and obviously, I would like that funding formula to be maintained. I respect the CRTC's decision. However, the CTF is fairly complex and for that reason, I don't think we should make any kind of decision until the minister has had time to react. In fact, I'm sure she will need to do much better than what we've seen over the past two years.

I do not have a problem with splitting the CTF into public-sector and private-sector streams provided that cable broadcaster, in response to Shaw Communications and others, are required to pay on a monthly basis. That's good news.

However, I do have a problem with the idea of setting up one board of directors for the private sector, and another for the public sector. I find it unacceptable that other educational and public broadcasters have been allowed to decide their own fate. I'm thinking here in particular about TV5 and Vision TV. APTN, the Aboriginal Peoples Television Network, will have to choose between the public and private sectors. That is a dreadful situation. APTN may broadcast in English or in French and may choose to draw its funding from the private sector. However, since APTN supports the growth and development of aboriginal languages, it may also choose to associate itself with the public sector. In both cases, even by protecting the historical 37% share of funding allocated to the CBC/SRC, it's clear that the level of funding will be inadequate. The same holds true for public television.

This is an extremely complex issue, Mr. Chairman. I know that many people are anxiously awaiting the minister's reaction. In my humble opinion, the minister abdicated her responsibility when she asked the CRTC to do her job. That's my personal opinion. I respect people who tell the CRTC what to do, but while I admit we must protect the Commission's independence, it is also important that we not shirk our own work-related responsibilities.

For the sake of the future of the Canadian Television Fund, we need to do more than simply pass a motion—and there is no question that the efforts of the CRTC have been very useful. I want to protect the CBC/SRC which will be asking us to examine further the future of the Fund. That's the first point I wanted to make.

I'm taking my time, Mr. Chairman, because this is important. I'm not filibustering.

The second point I want to make is that in my estimation, the Fund itself will create other problems for participants. This motion provides that only the CBC/SRC will be protected and we don't have a problem with that or with the recommendation for long-term funding following several studies. We want assurances that this funding will be forthcoming.

This raises another question. The CRTC will be tabling a report on private-sector productions. Audience ratings and therefore BBM surveys will be important.

As for the 37% funding share allocated to educational or public programming, I would never establish a link between funding levels and ratings or BBM surveys. However, I think it would be appropriate to verify the figures, even when public sector funding is allocated, because it is the taxpayers' money. Therefore, it's important to strike a balance.

I applaud Maria for her efforts. I agree that assets need to be protected. There is a historic precedent for funding levels, as the CRTC has already noted. However, because of the Fund's complexity and the ramifications of the CRTC's recommendations, and given our expectations and the fact that we do not know how the minister will react, the motion is akin in some respects to putting the cart before the horse.

Should we not await the minister's response, Mr. Chairman? I do not want to oppose this motion, but should we not set it aside for now and await the minister's reaction? That said, the minister must respond within a set timeframe and we must stand by our conviction that the CBC/SRC must maintain its historic access to funding.

• (1700)

Adequate public funding must also be assured. We must not think only about the CBC/SRC, but also about other educational broadcasters. We must resolve the problem of Télé-Québec, given the dissatisfaction with aboriginal television and other educational broadcasters. I think we're moving a little too fast to an "à la carte" approach.

I don't want to oppose this motion, Mr. Chairman. I want to make it very clear that I support funding. We invented the concept of historic access, but I realize that over the past two years, the share of public funding has decreased, to where it now stands at \$120 million for 2007-2008. If memory serves me well, that funding stood at \$132 million in 2005 and at \$120 million in 2006-2007.

I concur with Mrs. Mourani that splitting the Fund into public and private sector streams will result in an overall funding shortfall for public programming. However the obligation to fund cable broadcasters on a monthly basis will make the CTF less vulnerable to the reactions of certain cable broadcasters. In that sense, the recommendation is positive. Overall, the recommendations as well as the Fund itself are subtle and complex in nature. I'm wondering if we shouldn't wait, while affirming at the same time our desire to provide the necessary funding and support the historic 37% funding share.

I've given you an overview of the situation because in light of the discussions I have had with partners who use the Fund, I think we need to think about small companies and small producers who want to produce public and educational programming, and not lose sight

of the important fact that this Fund was established to protect the historic access of the CBC/SRC to funding.

These were the general comments I wanted to make, Mr. Chairman, but I believe they were relevant. I want everyone to understand clearly the spirit in which these comments were made today.

[English]

The Chair: Thank you.

We'll go to Mr. Siksay and then to Ms. Fry.

Mr. Bill Siksay (Burnaby—Douglas, NDP): Thank you, Chair.

I want to thank Madam Mourani for bringing this motion, and I just want to indicate that I'm prepared to support it. I think it's very important, even at this stage of the discussion of the CRTC report and recommendations, that we re-emphasize the importance of that funding to the CBC/Radio-Canada to ensure that it continues. I'm particularly appreciative of the reference to indexing that according to the increases that come through the private sector side of the CTF.

I think this is a very helpful motion at this point, and we'll be supporting it.

• (1705)

The Chair: Ms. Fry.

Hon. Hedy Fry (Vancouver Centre, Lib.): Thank you very much, Mr. Chair.

I think it's a good motion. If you all recall the history of the Canadian television fund, it's a very.... I know the minister is not able to tell the CRTC what to do, but I do recall that the reason the fund was put there in the first place was that when cable television companies required an increase in their fees because they needed to build digital infrastructure, they got an agreement that they would be able to do that. When they finished paying for the infrastructure, there was still the money and the increased fees, and they wished to keep it. It was in return for not returning those fees to the people who were paying them that it was suggested at the time by our government that they turn it into a cable and television fund.

As you know, the Government of Canada contributes \$100 million per year out of government funds into the cable and television fund. I think this money was put in for a specific reason when the CRTC agreed to it. It was set up so that Canadian productions, Canadian programming, could be fostered. Some of that money, as you well know, went to CTV and other private broadcasters for Canadian productions. We know that as recently as about a year ago, Shaw and Vidéotron decided they didn't like the rules anymore and they wanted to be able to say how the fund was distributed. As a result, the CRTC started to look at this, and we have the result of the CRTC, which I don't particularly agree with, but at the same time I realize we cannot tell the CRTC what to do.

I believe, however, that before the minister makes any decision about what she's going to say and do, it is really important.... We have spent a long time looking at the CBC and its ability to function. Today we put forward a report that recognizes that the CBC is making programming decisions that we may not approve of or like because it is under such a narrow constriction with the money it has. We've just suggested it get more money; we've made all those decisions. I think it's important to ensure that no matter what happens, the CBC maintains its existing envelope, which is the 37%. I think that would signal to the minister, as she is making her response, that we want to make sure the CBC does not lose out—not a penny, not 1% of this—so that it can continue to do the things it needs to do.

I think this is good. I think it's timely. I will be supporting it because I think it's an important statement to make at this point in time.

The Chair: Mr. Abbott.

Hon. Jim Abbott (Kootenay—Columbia, CPC): I would respectfully suggest that it's pretty significantly more complex than meets the eye—not this motion, but this notion the CRTC has come forward with, with respect to splitting. I'll give three or four examples of the reason it's complex. What is the difference between *Corner Gas* and *Little Mosque on the Prairie*? Let's think about it for a second. What is the difference?

I apologize to my friends from Quebec, because this is mainstream English broadcasting I am speaking about.

Both are looking for a large popular audience. Neither is pandering to try to get them. We could say that maybe *Corner Gas* might be trying a little bit harder than *Little Mosque on the Prairie*, but nonetheless *Little Mosque on the Prairie* does all the little video tricks that are done in order to attract loyal audiences over a long period of time. The complexity is whether *Little Mosque on the Prairie* should be funded solely out of public money through the CBC and *Corner Gas* should be funded privately.

Jim Shaw was complaining about the fact that he didn't have any control or influence over the choice of programming that was going to be created, which was supposed to be attracting a larger audience. This is a complication. Furthermore, we are losing sight of TVO, TFO, SCN, and Knowledge Network. We're losing sight of those networks, I suggest, because those networks need the flexibility to be able to tap into either of those two. The one they will tap into is the public money as opposed to the private money. I can't imagine that the BDUs are going to say this is great and that their boards are going to be approving things for these.

I'm just saying that it is so complex that I find myself in complete agreement with my friend Mr. Coderre. I have never spoken to the minister about this, by the way, but I'm guessing that she and her officials are probably trying to work through all of the unintended consequences, all of the unknowns relative to this splitting. Then we come along and—no disrespect—we have a very simple suggestion saying that into this mix we're also going to throw this 37%.

• (1710)

Hon. Denis Coderre: If I may say so, Mr. Chair, the 37% is already accepted. The historic access of the 37% is okay. It's accurate.

Hon. Jim Abbott: Yes.

Mr. Ed Fast (Abbotsford, CPC): It's already in place.

Hon. Denis Coderre: It's already in place, so we shouldn't even question that, because it's there. The issue that will have to come out is that we're splitting between private and public, and that 37%—

Hon. Jim Abbott: Yes, and I don't know what that means.

Hon. Denis Coderre: It means that according to the CRTC and their recommendation, everything that is public is CBC/Radio-Canada, *télévision éducative*, and it depends what TV5, VisionTV, and APTN will decide. They are proposing in the case of aboriginal television that everything regarding production in French or in English should go at the private level, and production regarding aboriginal languages should go to the public level.

My concern is not the 37%, because we already accept that; there's no problem there. I want to make sure that when we say we'll support the global fund, the amount, basically what it says here is to make sure we have the money that truly represents that 37% of historic access. For me, that's a given.

I'd like to make sure that we are thinking also about the others, where you're talking about TFO, TVO, and all that. If we're pointing a finger at the government to put their money where their mouth is, I'm not concerned about splitting the cake between public and private, because the 37% is there, but I want to make sure the other producers at the education level and at the aboriginal level—and it depends what TV5 and VisionTV decide—also have the money for it.

I agree that we need to protect Radio-Canada, but I don't want to sacrifice other productions that have an important impact not only in Quebec but in Ontario, for French Canadians all over the place, and for other purposes in English, because as you know, there's a good impact on English production.

Maybe, Mr. Chair, we should add a friendly amendment where we also show our will to protect educational television and make sure that when we mean “public”, we'll put the money and resources accordingly. So I don't question and I totally support the issue of CBC/Radio-Canada, but at the same time, I don't want to sacrifice some other productions.

The Chair: Ms. Fry and Ms. Mourani, and then I'm going to make a comment.

Hon. Hedy Fry: The idea of allowing other public television networks to get money is obviously something that we all agreed to fight for. The intent of Ms. Mourani's motion, unless I'm misreading it, has nothing to do with the split per se, what size envelope goes to public or to private. It may be 50-50, or 60-40, who knows? But we can't take for granted that whatever decisions are made about this are not going to mean, okay, so now CBC is going to get 32%, and we're going to give APTN so much and so much. What she's saying is that she wants to make sure it's stated that you don't touch that envelope; whatever else you may do, you don't touch that envelope.

Of course, I think we could make another motion that speaks clearly to the issue of the public-private split and that we want to make sure the other public sector gets its TVO, TFO, APTN, all of the other stations that depend on this money in the Canadian television fund. We could put a second amendment that speaks to that, but I think this one is actually saying, do not decrease the 37% envelope. We can't take it for granted that it would not be decreased. She is just trying to make sure you were warned. But I think we may want to do another motion with regard to public funding, that we want to ensure that everyone gets it.

The issue is extremely complex. What the divisions are going to be, we don't know, but we don't want to respond after the fact either. So it could be important, as we're putting this forward, to have another motion that says, as for the rest of the public funding, this is how we would like to see it happen.

• (1715)

The Chair: Ms. Mourani.

[Translation]

Mrs. Maria Mourani: Mr. Chairman, Mrs. Fry has clearly articulated my thoughts. I think she is quite right. Depending on the other subjects broached, perhaps we should introduce other motions. The primary aim of this motion is to protect a funding envelope, that is in some respects, to protect the CBC/SRC. As you clearly said, the CBC is currently guaranteed 37% of the Fund. We mustn't drop below this funding threshold, or find ourselves with public programming that falls by the wayside for lack of funding. That is the danger we face by splitting the fund into two streams. Logically, with one single \$120 million envelope, we can see, using a straightforward mathematical calculation, how the CBC, or any other public broadcasters will be unable to produce the same number of programs as it could before the Fund was split into two streams. The historic access to 37% of the Fund should not, in my view, be compromised. That needs to be clearly stated. Given that the minister is reviewing the recommendations and withholding her decision until a later date, we need to voice well in advance our views on the future of the Canadian Television Fund. We need to tell the minister that if she goes along with the CRTC's recommendation, other problems may emerge, including funding issues. If the government agrees to split the Fund into two streams, it's important that overall funding be increased to ensure that the CBC continues to have historic access to a 37% share of the funding.

[English]

The Chair: Mr. Fast.

Hon. Jim Abbott: Mr. Fast, you're on the go.

The Chair: And then I'm going to bring something forward.

Mr. Ed Fast: Thank you.

Mr. Chair, I agree with Mr. Coderre that this motion is premature. I want to see what the minister's response is.

Quite aside from that, my major concern is a commitment to indexing here. We've already taken a very significant step in our CBC mandate report to recommend stable multi-year funding that is indexed. Now we're becoming more specific, and we're saying that when it comes to the CTF, we want to apply indexing there, and now we're starting to see indexing as the norm without taking into

account the fiscal capacity of the government at any given time. I don't want to see us go down that road, quite frankly.

The other concern I have about this motion is that I'm still not quite sure what is intended. If you actually read it, it talks about the long-term funding—presumably that CBC is contributing—and then it talks about it being indexed to private sector increases, whatever that might be, so that 37% of the total funding is always available to CBC. Now, 37% of total funding is a figure, but the indexing is on the whole fund. So I'm wondering where Ms. Mourani is going with that, because right now, in my mind, the motion is not clear. It's ambiguous, and it could be read a number of different ways. I'm reading it one way, and I think she's reading it another way, but both of those interpretations, I think, seem to be valid.

If we are really going to consider this, I think she needs to be a little more specific and put in a little more thought so that the motion is specific and explicit as to what it means. Secondly, I would encourage her to wait until we know what the minister's response is.

We have two responses. There's not only the CRTC decision, but there's also always the CBC mandate review, which has 53 recommendations and which is coming shortly. And that's when we'll know whether there's any prospect of there being a long-term, multi-year stable funding formula that might be negotiated down the road.

• (1720)

The Chair: Before we go to any more witnesses, I'm going to make a suggestion.

I don't know whether this motion is a little premature. A report from CRTC has just been brought out. We have debated this motion around the table. I don't know what we're going to do next Tuesday. If we think about it until next Tuesday, we'll come to the meeting, and that will give everyone a little bit of a chance to absorb what we've talked about here today. That will be our order of business, to talk about that on Tuesday, and then we can go from there. That's my suggestion.

I'm going to go to Mr. Coderre and then to Ms. Fry.

[Translation]

Hon. Denis Coderre: Mr. Chairman, judging from the testimony given, it's clear to me that no one is opposed to the concept of historic access. Everyone supports that concept. However, we need to take matters further. I agree about Tuesday. Our extremely efficient clerk could perhaps even invite Paul Gratton, the new Chair of the CTF, to testify. He is based in Toronto but could fly here fast with Rapidair. I understand that he is a clear and assertive speaker. I think it would be a good idea to hear from the new Chair of the Board of Directors. I propose that we devote two hours to a meeting with him.

Since this is a public meeting, I want it clearly understood that I am prepared to support this motion. We can allow ourselves a few more days. There's no question that we will be meeting on Tuesday. It could prove interesting. Above all, I do not wish to give the people listening to us the impression that any decision would come at the expense of educational broadcasters, among others. I will defer to the majority opinion. Nevertheless, I believe that everyone here supports the CBC's historic access and that no one is necessarily opposed to Mrs. Mourani's motion. However, perhaps it would be a good idea to consider this matter further so that by Tuesday, we have some additional tools to work with.

I'd like the research officer to do some additional checking. We're talking about historic access to a 37% share of the overall Fund. The CRTC is recommending that this 37% share be maintained. However, Heritage Canada must provide some funding accordingly, so that this share remains stable. In other words, the CBC's share of the total envelope must not decrease. That is the gist of the CRTC's recommendation. In order to maintain this 37% share, any costs associated with private productions must necessarily be offset by Heritage Canada. This lends even more weight to your motion. I think we need to see some figures. I've read the annual report.

Mr. Marion Ménard (Committee Researcher): I don't have it. I looked for it.

Hon. Denis Coderre: In my opinion, Mr. Chairman, that would be a useful exercise. I don't know how Mrs. Mourani feels about this. It is not question of setting aside her motion, but rather of exploring this issue further and ensuring that the interests of the parties, in particular those of the CBC/SRC, are better protected.

[English]

The Chair: Okay, Ms. Fry.

• (1725)

Hon. Hedy Fry: Mr. Chair, given that we understand that when we were doing our Canadian television fund hearings, or whatever you want to call them, we heard many people say that they did not like the fact that the CBC got 37% of the envelope, I am really concerned that those in government will try to remove that 37% when they start making decisions as to how to allocate.

We also know that we have those graphs, if you recall, with the big red, blue, and green slots, showing that certain other public broadcasters and educational programmers, such as APTN, TVO, TVA, etc., all had percentages of the pie allocated to them.

It's my understanding that what this is really doing is suggesting that there is an ability for Shaw and Vidéotron to have a say on the board where the private funding goes. I don't have a problem with that, if that's what they wanted to do. But if we could amend Ms.

Mourani's motion and add not only that CBC productions should get at least 37% of the total funding, but also that the same stable allocation of funding to other public broadcasters and educational programmers be maintained, then I think we will be sure that the two chunks of envelopes will stay the same. I would like to do that before we get the minister making decisions. The reason I would like to do that is that we have agreed on a lot of things—and I think in this committee we can agree and disagree—and are very well aware that there have been a significant number of people within the government ranks who did not like the Canadian television fund in the first place and voted against it.

So we want to be sure that we don't have to have the minister make a decision and speak about it, and then we start throwing rocks at the decision, and saying to her, change your mind, change your mind, we don't like it, we don't like it. We're saying that this is input from the beginning, so the minister is aware of how the committee feels, and when she's making her decision she will take that into consideration for all the political reasons she may need to do so.

Personally for me, as a political move, it gives the minister different room to manoeuvre, and at the same time, when she comes to our report she won't have everybody yelling and screaming at her, people who could have had some input beforehand for her to consider. I mean, if you really want to talk about how we could work together to get things done, I consider this a better way to do it than to throw bricks at her when she makes a decision that we may or may not like. We're just saying here's what we think.

So I would like to add to the amendment, if Ms. Mourani agrees to a friendly amendment, which perhaps some of us could look at and see what it says. I think we could maintain the same percentages allocated to other public broadcasters and educational programmers.

The Chair: The time is getting used up here. I'm going to go to Ms. Mourani for something very short.

My suggestion is going to be, as has been suggested here, that maybe, just maybe, we should have Paul Gratton, from the CRTC, come and explain some of this.

Mr. Ed Fast: Good idea.

The Chair: There have been some assumptions, and maybe we could clarify some things before we come up with a motion.

It will be my suggestion, as has been suggested before, that we try to get him as a witness so that those questions can be asked, and I would commit that debate be now adjourned.

The meeting is adjourned.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

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